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Obey, KOHL, FEINGOLD URGE USDA

TO REJECT UNFAIR DAIRY PRICING PLAN

WASHINGTON, D.C -- Seventh District Congressman Dave Obey (D-WI), Senator Herb Kohl (D-WI) and Senator Russ Feingold (D-WI) this week urged Agriculture Secretary Mike Johanns to reject changes to the federal milk marketing orders being considered by the U.S. Department of Agriculture (USDA) that could hurt the prices that Wisconsin dairy farmers receive.

The changes, which were proposed by the National Milk Producers' Federation (NMPF), would significantly alter classified pricing formulas, increasing prices paid to dairy farmers (mostly in southern states) who produce milk for the fluid milk market, and undercutting prices for farmers, like those

in Wisconsin and Minnesota, whose milk goes to manufacturing products such as cheese.

In their letter to Secretary Johanns, the lawmakers noted that the NMPF proposal “has the potential to reignite regional conflict within the dairy industry and it could lead to the unraveling of federal milk marketing orders. As such, we are asking you to reject it.”

“For years, farmers in Wisconsin and Minnesota have suffered under outdated federal milk marketing orders that keep prices for milk that goes into fluid use high while paying farmers outside the Upper Midwest more for their milk through Class I dairy differentials,” said Obey. “Instead of considering proposals to bring regulation of dairy markets into the 21st century, USDA is considering a plan that would exacerbate the inequities and increase the market distortions caused by the archaic federal orders.”

“This proposal threatens financial harm to Wisconsin dairy families,” Kohl said.

“Our dairy farmers deserve fair treatment. Fairness dictates that the USDA should reject this ill-conceived proposal.”

“This proposal would put Wisconsin dairy farmers at an unfair disadvantage, especially when they already have to put up with a flawed pricing system that provides a higher price for milk based on the distance from the Eau Claire region of the Upper Midwest,” Feingold said.

“The federal government should be leveling the playing field for Wisconsin’s hardworking dairy farmers, but this proposal goes in the opposite direction and I strongly oppose it.”

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